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ExpenseCheck

MAY 1985
T-156

Communique

The corporate advisory for cost-effective business travel.

CAR RENTAL ECONOMIES

Regardless of a firm's size and its volume of car rental business, it can take advantage of corporate rates. In some cases, travelers need only ask for a corporate discount; in other instances, it can be as easy as filling out an application form to qualify.

If an individual company's volume is too low to negotiate better-than-retail rates, its travelers may be able to participate in special discounts. Large commerical travel agencies, for example, often use combined client volume to obtain substantially reduced car rental fares for their customers.

Once the discounted rates are secured, it is important that the specifics be communicated to the employees. The travel policy is the best place for this information. The same is true for corporate identification numbers provided by the car rental companies. Use of these numbers will not only insure that employees get preferred rates, but the I.D. numbers also serve as a tracking system to tell the vendor how much volume a company represents. A servicing travel agency should also be advised of corporate discount numbers and use them whenever making rental reservations, thus insuring volume credit for corporate clients.

To the greatest extent possible, try to concentrate car rental business with one supplier. And specify, by name, the car rental agency employees should favor. This helps build volume, a key factor in future negotiations.

The company travel policy should spell out the size of the vehicle to be rented. Some rental agencies will provide programmed credit cards that limit the car size employees can rent. This keeps violations of the size-of-car policy to a minimum.

There may be circumstances that justify a larger car. For example, basic transportation for one employee is usually satisfied by a compact car. However, if more than one employee is being transported, or if the traveler will be picking up company guests, a larger vehicle may be authorized. Again, detail such circumstances in the corporate travel policy

The travel policy should also address collision waiver and personal accident insurance offered in car rental agreements. In many cases, such insurance merely duplicates coverage provided by the employer. Or if the company's

rental volume is sufficiently large, it may be able to include collision waiver in a negotiated car rental contract.

Do travel policy guidelines specify which rental agencies to use for round-trips vs. one-way trips? Many companies gain significant economies by directing employees to second-tier car rental firms, by name, for round trips. However, because drop-off charges prevail among the smaller agencies for one-way rentals, the policy recommends one of the larger suppliers in such instances. Keep in mind, too, that if volume is large enough, drop-off charges may be negotiated away or, at least, significantly reduced.

Are employees required, by policy, to refill the gas tank before turning in the car? Service station gasoline is almost always cheaper (by at least 25%) than fuel pumped at rental car depots.

Of course, a state-of-the art travel policy should counsel the employee as to when a car rental is appropriate. If the employee needs transportation from the airport to a hotel or motel for a three-day meeting -- at the lodging site -- there are normally cost-effective alternatives. Most major hotel/motel chains offer complimentary shuttle service. In some instances, limousine or bus service will be available at attractive prices. And a round-trip taxi fare will almost always be less expensive than a three-day car rental bill, especially when the car will remain on the motel parking lot most of the time. Prior approval by the employee's manager is a strategy that often results in car rental avoidance, especially for meetings or conventions.

Policy language should remind employees to ask about the lower, weekend rates whenever a business trip extends beyond Friday. And in popular vacation areas, a weekly afar may be cheaper than several days' rental at the daily rate. Simply rent for the week and return the car early.

Finally, employees should be encouraged to take advantage of special car rental rates. Often advertised in newspapers, trade journals and airline guides, promotional deals abound in this highly competitive industry. And when available, the rental will sometimes be significantly lower than a company-negotiated arrangement.

TRENDLINES
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For the fourth successive month, travel activity levels rose. The result was a 3.4% increase in May Total Travel Expenses over April spending rates. With the exception of Entertainment, category spending rates were up across the board.

Year to date, the Total Traveler Spending Rate is 9.0% higher than last year's average. However, traveler activity levels also appear higher, as evidenced by the 7.4% increase in Lodging Nights. By way of comparison, the Consumer Price Index has risen by 1.8% through May 1985.

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
National

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	MAY 1985		MAY 1985	
EXPENSES				
Meals	$ 88.06	$	$ 78.58	$
Lodging	174.54		156.45	
Public Transportation	193.37		185.21	
Car Rental	30.34		28.18	
Telephone & Telegraph	100.04		88.00	
Postage & Supplies	26.70		28.00	
Entertainment	83.67		77.05	
Miscellaneous	58.70		49.81	
TOTAL TRAVEL EXPENSES	$ 755.42	$	$ 691.28	$
MEAL ANALYSIS				
Average Number Per Traveler Month	12.5		11.1	
Average Cost Per Meal -	$ 7.07	$	$ 7.07	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.2		2.9	
Average Cost Per Night -	$ 54.50	$	$ 54.46	$

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Trends
National

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	UP 1.8%		DOWN 9.0%	
Lodging	UP 6.8		UP 14.9	
Public Transportation	UP 0.6		UP 10.4	
Car Rental	UP 10.4		UP 9.0	
Telephone & Telegraph	UP 4.6		UP 11.3	
Postage & Supplies	UP 0.6		DOWN 8.3	
Entertainment	DOWN 1.2		UP 24.0	
Miscellaneous	UP 8.2		UP 8.0	
TOTAL TRAVEL EXPENSES	UP 3.4%		UP 9.0%	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 3.3%		DOWN 2.6%	
Average Cost Per Meal -	DOWN 0.7%		DOWN 6.6%	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 6.7%		UP 7.4%	
Average Cost Per Night -	UP 1.1%		UP 7.9%	

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ExpenseCheck Trendlines

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Business Travel Expenses
US Consumer Products

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	MAY 1985		MAY 1985	
EXPENSES				
Meals	$ 94.80	$	$ 93.64	$
Lodging	183.53		182.20	
Public Transportation	200.40		238.44	
Car Rental	15.75		25.12	
Telephone & Telegraph	122.60		121.12	
Postage & Supplies	50.70		49.05	
Entertainment	89.43		86.36	
Miscellaneous	53.61		57.02	
TOTAL TRAVEL EXPENSES	$ 810.83	$	$ 852.95	$
MEAL ANALYSIS				
Average Number Per Traveler Month	13.4		13.3	
Average Cost Per Meal -	$ 7.10	$	$ 7.06	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.2		3.3	
Average Cost Per Night -	$ 57.88	$	$ 55.98	$

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Business Travel Trends
US Consumer Products

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	DOWN 1.7%		UP 0.1%	
Lodging	DOWN 0.8		UP 2.1	
Public Transportation	DOWN 27.7		UP 26.2	
Car Rental	DOWN 43.5		UP 10.1	
Telephone & Telegraph	DOWN 3.0		DOWN 3.9	
Postage & Supplies	UP 2.2		DOWN 1.7	
Entertainment	DOWN 5.8		DOWN 5.4	
Miscellaneous	UP 1.4		UP 16.5	
TOTAL TRAVEL EXPENSES	DOWN 10.9%		UP 6.6%	

MEAL ANALYSIS				
Average Number Per Traveler Month	DOWN 1.5%		DOWN 0.7%	
Average Cost Per Meal -	NO CHANGE		UP 1.3%	
LODGING ANALYSIS				
Average Number Per Traveler Month	DOWN 3.0%		DOWN 2.9%	
Average Cost Per Night -	UP 3.6%		UP 6.8%	

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
US Health and Beauty

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	MAY 1985		MAY 1985	
EXPENSES				
Meals	$ 91.35	$	$ 92.24	$
Lodging	232.55		235.96	
Public Transportation	320.06		314.82	
Car Rental	51.61		49.52	
Telephone & Telegraph	159.68		147.81	
Postage & Supplies	34.22		33.47	
Entertainment	102.29		97.22	
Miscellaneous	80.49		75.64	
TOTAL TRAVEL EXPENSES	$ 1072.26	$	$ 1046.68	$
MEAL ANALYSIS				
Average Number Per Traveler Month	13.0		13.0	
Average Cost Per Meal -	$ 7.00	$	$ 7.11	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.7		3.8	
Average Cost Per Night -	$ 62.31	$	$ 61.36	$

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ExpenseCheck Trendlines

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Business Travel Trends
US Health and Beauty

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	DOWN 2.6%		DOWN 0.9%	
Lodging	DOWN 1.7		UP 8.4	
Public Transportation	DOWN 1.5		UP 6.4	
Car Rental	UP 16.9		UP 3.3	
Telephone & Telegraph	UP 8.5		UP 0.9	
Postage & Supplies	UP 4.6		UP 10.9	
Entertainment	DOWN 9.8		DOWN 3.1	
Miscellaneous	UP 7.7		UP 24.2	
TOTAL TRAVEL EXPENSES	UP 0.4%		UP 5.5%	

MEAL ANALYSIS				
Average Number Per Traveler Month	DOWN 1.5%		DOWN 1.5%	
Average Cost Per Meal -	DOWN 1.8%		UP 1.1%	
LODGING ANALYSIS				
Average Number Per Traveler Month	DOWN 2.6%		DOWN 2.6%	
Average Cost Per Night -	UP 1.2%		UP 10.2%	

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ExpenseCheck Trendlines

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Business Travel Expenses
US Medical Products

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	MAY 1985		MAY 1985	
EXPENSES				
Meals	$ 109.83	$	$ 105.78	$
Lodging	204.59		192.09	
Public Transportation	245.37		226.77	
Car Rental	25.09		22.43	
Telephone & Telegraph	208.15		203.59	
Postage & Supplies	31.40		30.73	
Entertainment	81.99		77.18	
Miscellaneous	57.26		54.66	
TOTAL TRAVEL EXPENSES	$ 963.68	$	$ 913.24	$
MEAL ANALYSIS				
Average Number Per Traveler Month	17.8		17.5	
Average Cost Per Meal -	$ 6.15	$	$ 6.03	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.6		3.4	
Average Cost Per Night -	$ 57.33	$	$ 55.83	$

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ExpenseCheck Trendlines

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Business Travel Trends
US Medical Products

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	UP 5.1%		UP 0.4%	
Lodging	UP 8.7		UP 2.6	
Public Transportation	UP 3.9		DOWN 2.1	
Car Rental	DOWN 4.9		DOWN 14.5	
Telephone & Telegraph	UP 3.2		UP 3.7	
Postage & Supplies	UP 14.1		UP 9.1	
Entertainment	DOWN 0.4		DOWN 2.7	
Miscellaneous	UP 0.6		DOWN 6.1	
TOTAL TRAVEL EXPENSES	UP 4.3%		UP 0.1%	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 8.5%		DOWN 1.1%	
Average Cost Per Meal -	DOWN 3.5%		UP 1.3%	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 9.1%		DOWN 2.9%	
Average Cost Per Night -	UP 1.7%		UP 5.2%	

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Business Travel Trends
US Medical Products

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	UP 5.1%		UP 0.4%	
Lodging	UP 8.7		UP 2.6	
Public Transportation	UP 3.9		DOWN 2.1	
Car Rental	DOWN 4.9		DOWN 14.5	
Telephone & Telegraph	UP 3.2		UP 3.7	
Postage & Supplies	UP 14.1		UP 9.1	
Entertainment	DOWN 0.4		DOWN 2.7	
Miscellaneous	UP 0.6		DOWN 6.1	
TOTAL TRAVEL EXPENSES	UP 4.3%		UP 0.1%	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 8.5%		DOWN 1.1%	
Average Cost Per Meal -	DOWN 3.5%		UP 1.3%	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 9.1%		DOWN 2.9%	
Average Cost Per Night -	UP 1.7%		UP 5.2%	

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Business Travel Expenses
US Pharmaceutical

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	MAY 1985		MAY 1985	
EXPENSES				
Meals	$ 73.54	$	$ 64.98	$
Lodging	83.20		75.68	
Public Transportation	61.32		61.11	
Car Rental	9.29		9.07	
Telephone & Telegraph	58.44		53.89	
Postage & Supplies	14.24		13.64	
Entertainment	53.29		47.96	
Miscellaneous	70.71		75.19	
TOTAL TRAVEL EXPENSES	$ 424.03	$	$ 401.52	$
MEAL ANALYSIS				
Average Number Per Traveler Month	8.4		7.5	
Average Cost Per Meal -	$ 8.75	$	$ 8.72	$
LODGING ANALYSIS				
Average Number Per Traveler Month	1.6		1.5	
Average Cost Per Night -	$ 50.50	$	$ 49.30	$

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Business Travel Trends
US Pharmaceutical

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	5/85 vs. 4/85		5/85 vs. 12/84	
EXPENSES				
Meals	UP 13.6%		DOWN 6.6%	
Lodging	UP 4.8		DOWN 3.6	
Public Transportation	DOWN 3.0		DOWN 11.8	
Car Rental	UP 35.8		UP 16.1	
Telephone & Telegraph	UP 7.4		UP 4.8	
Postage & Supplies	UP 5.0		UP 6.0	
Entertainment	UP 4.4		UP 20.8	
Miscellaneous	UP 1.3		UP 28.0	
TOTAL TRAVEL EXPENSES	UP 5.2%		UP 3.5%	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 15.1%		DOWN 7.4%	
Average Cost Per Meal -	DOWN 0.9%		UP 1.9%	
LODGING ANALYSIS				
Average Number Per Traveler Month	NO CHANGE		DOWN 11.8%	
Average Cost Per Night -	UP 1.4%		UP 7.8%	

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